



HURRICANE CITY

UTAH

Mayor

Nanette Billings

City Manager

Kaden C. DeMille

Power Board

Mac J. Hall, Chair

Jerry Brisk

Pam Humphries

Dave Imlay

Joseph Prete

Charles Reeve

The Hurricane City Power Board met on December 7, 2022, at 3:00 p.m. at the Clifton Wilson Substation on 526 W 600 N.

In attendance were Charles Reeve, Pam Humphries, Jerry Brisk, Dave Imlay, Joseph Prete, Scott Hughes, Brian Anderson, Michael Ramirez, Jared Ross, Fred Resch, Kaden DeMille, Dayton Hall, Shane Minor, and Crystal Wright.

Mac Hall had contacted and requested Charles Reeve to chair the meeting in his absence. Charles Reeve welcomed everyone to the meeting; Dave Imlay led the Pledge of Allegiance and Charles Reeve offered the prayer. Dave Imlay motioned to approve minutes from the November 2022 meeting. Jerry Brisk seconded the motion. Motion passed unanimously.

Scott Hughes: Scott Hughes provided an update on employees. We are still looking for a journeyman lineman. Talmage, our Groundsman, hits his 6-month anniversary next week and we are looking at starting him in the apprentice program starting in January.

Brian Anderson: Brian Anderson reported on the Christmas decoration installation. It takes approximately a week to get everything organized and get it all installed. The installation happened on Sunday, November 27th. The 600 North Phase 3A project is continuing. We are still working on drilling holes. Some of the holes will have to be contracted out to dig. The 1150 West project has all the property descriptions. They are trying to get a meeting set up with Alpha Engineering to keep that project moving. Joseph Prete requested a board recommendation regarding the two routes proposed for the 1150 West project. He would like to take a recommendation back to the City Council as they discuss making a decision. Dave Imlay stated his recommendation is for the route to be the straightest, most economical route for power. It is not the role of the board to consider the political decision, but to consider a purely business decision to be judicious with taxpayer dollars. The members of the board overall agreed with that view. Dayton Hall provided an update on where the City is at in the process.

Mike Ramirez: Mike Ramirez provided an update to the board on the progress of the AMI metering system. There have been budgetary concerns and so we are researching grants to see if we can get some help to get that moving forward. They have a meeting set up to search for grants with a grant specialist. Charles Reeve asked if AMI meters would have helped during our high-power price event this previous fall. Scott Hughes replied that if the meters had been installed and a time-of-day usage rate had been implemented then it would have absolutely helped during that time.

Jared Ross: Jared Ross reported that the bid for the Three Falls Substation came in and was lower than the previous bid. Interstate Rock was awarded the bid for the foundation and control buildings. We are working on getting materials coming for the project. Most supplies will arrive in time, but there are some things that will



make the schedule very tight for completion. Generator #8 was shipped off for repair and it was discovered that there was mechanical damage to a winding. This will probably require all new laminates and the need to be re-wound. Questions about the striations on the laminations. Shane Minor said he will ask CAT for a report looking for a potential cause. That will be repaired and back in 2-3 months. We need to have everything back up and running for emissions testing in the spring. Generator #2 is being repaired and they came and fixed it in place and Jeff Jones is working on building a new fan shroud for it. This should be back up by the beginning of next month. #7 and #6 have turbo failures that will be fixed the first of January. Digging the holes along 600 North has been difficult on our equipment and we've been working hard to keep everything running well to keep that job moving along.

Scott Hughes asked the board to see if we could rearrange the order of topics under Old Business to move Generation Discussion up to the front to allow people to leave after that discussion who may want to.

Generation Discussion: Scott Hughes turned the time over to Shane Minor with Wheeler. Shane Minor discussed one-unit generator costs. With a bigger generation plant, some of the costs to build a generator are shared among all the units which decreases the cost per unit. Wheeler had put in an RFP for a 20-unit generation plant in Idaho. They were not awarded that bid but elected to keep the 20 units they'd placed on order in the queue. Those units have a delivery date of July 2023. The individual unit they had placed on order for us could swap slots with one of those units. This would save money on two, possibly three, price escalations due to an earlier completion date. Shane explained some of the features of the generator that we are having built. Scott Hughes explained that we have been talking about the one-unit generator to fill the spot available in our existing plant. This is the Generator #9 we have been talking about for some time. To add this generator, we would move from a category where we haven't had to pay transmission costs to a category where we would be required to pay those costs. Scott Hughes stated he would like to explore the option of building a new generation plant, possibly in conjunction with another city, for an eight-unit plant. We would potentially purchase five units and the other city would potentially purchase three. The cost to build the building and future maintenance would be shared accordingly. Discussion about varying costs, likelihood of prices continuing to increase, additional permitting required and lead times for completion. Shane Minor gave an overview of what the five units would look like for that generation plant. Joseph Prete asked Scott Hughes for a simple explanation to take back to City Council of the pros and cons of building a multi-unit plant. He would also like to see cost savings to determine a timeline for when each unit would pay for itself. Scott Hughes stated that resource availability is a large component. Resources are scarce and expensive. Our shortage of available resources exposes us to the market which is becoming increasingly volatile. He will create a list showing some of these to distribute.

Capacity Update: Scott Hughes reported that the City Council has now denied two separate preliminary plats out in the area south of town. That area is all on the same circuit. We are still working on getting our infrastructure out there to alleviate this capacity issue. Building permits have slowed which will help.

Solar Policy Update: Scott Hughes stated that we have been working with the Distributed Energy Resources (DER) sub-committee. Michael Ramirez stepped in to describe some of the discussions that were held in those meetings. There was time spent educating the sub-committee regarding some of the issues that surround grid-tied solar. There were discussions that surrounded base rates, compensation for energy, and the various sizes of systems. He discussed they would like to have the information obtained from those meetings to finalize an update to our solar policy. This could potentially be ready in time for our next Power Board. There was a discussion about what the base rates should be covering in comparison to the consumption usage rates. Dave

Imlay stated that there may be some information on the server from previous rate studies that will show where those different amounts were during those studies.

Summer Generation Run Report: Scott Hughes reported that we have been collecting data from the summer run and trying to use it to see what the final results were. A chart was shown showing costs of UAMPS bill and the costs of running generation vs cost without generation. Discussion about the difference between our load and firm resource availability which exposes us to the market and the volatility that is occurring increasingly. We still need to calculate repairs and overtime to show a more complete picture. This chart only shows the cost per MW without including calculations for repairs or overtime.

Budget: Scott Hughes showed the updated budget numbers. Joseph Prete wanted to caution against making financial decisions based on extreme events and look for long-term history instead. Dave Imlay showed the charts overall show the costs have been increasing at a consistent rate and substantially since 2020. This combined with firm resources that have been scarce make the outlook bleak without changes. Charles Reeve asked about updates for the UAMPS projects.

UAMPS Updates: Scott Hughes reported that we have made a block purchase for the month of December. Dave Imlay mentioned he never liked to make a block purchase above what our rates were, but the same logic is difficult to apply in these markets. UAMPS couldn't secure the full amount we had requested, but we did secure some of that block. Scott Hughes provided an update on the Central-St George Project. It was discovered that Rocky Mountain Power owed a refund to the group. A portion of that refund belongs to us. Dave Imlay provided a summary of that project. UAMPS is working on a line of theirs that runs down Sand Hollow Road. Showed graphs for the Unplanned Pool/PX for the month. An update on the IPP project shows what was saved during the summer by calling back our IPP shares. They have started to stockpile the coal for the plant. They received a solicitation from a company that would like to capture the carbon. They have made binding agreements to shut down the plant. They are concerned that a violation of that contract would force them to shut down immediately and be fined. We will be calling back our 2023 summer season power as well. We've chosen at this point not to call it back for the rest of the year, but we will keep an eye on this. An update on the Hunter project provided shows they have chosen to stockpile the coal during winter months to save the coal to run more during the summer months. They are also considering curtailing March through May for the same reason. The update for CFPP is that the price has increased substantially. We're keeping an eye on that and the next few months will bring some major decisions for this project. The update for the Steel Solar project is they're still waiting for a shipment ahead of ours that is stuck in customs.

The Power Board adjourned at 6:00 p.m. The next Power Board Meeting is scheduled for January 4, 2023, at 3:00 p.m.
